

Message Text

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ACTION EUR-12

INFO OCT-01 IO-13 ISO-00 SP-02 USIA-15 AID-05 EB-07 NSC-05

CIEP-02 TRSE-00 SS-15 STR-04 OMB-01 CEA-01 L-03 H-02

PA-02 PRS-01 CIAE-00 COME-00 FRB-01 INR-07 NSAE-00

XMB-04 OPIC-06 LAB-04 SIL-01 FEAE-00 ERDA-07 NRC-07

OES-06 /134 W

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R 121725Z AUG 76

FM AMEMBASSY PARIS

TO SECSTATE WASHDC 3925

INFO ALL EC CAPITALS 0154

USDEL MTN GENEVA

USMISSION EC BRUSSELS

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E.O. 11652: N/A

TAGS: ECON, EIND, BEXP, FR

SUBJECT: INDUSTRIAL POLICY IN FRENCH SEVENTH PLAN

1976-80

1. SEVENTH FRENCH ECONOMIC AND SOCIAL DEVELOPMENT PLAN, COVERING 1976-80, BECAME LAW JULY 21, 1976. EMBASSY ANALYSIS OF PLAN AS WHOLE WILL BE IN SEPARATE MESSAGES NOW UNDER PREPARATION. THIS TELEGRAM EXTRACTS INDUSTRIAL POLICY ELEMENTS OF PRESUMED SPECIAL INTEREST TO EB, COMMERCE AND STR.

2. OVER-ALL PLAN CONSISTS OF THREE PARTS: (A) INTRODUCTION WHICH DEFINES GLOBAL AND NATIONAL ATMOSPHERE IN WHICH PLAN MUST FUNCTION AND SETS PHILOSOPHICAL TONE, (B) BOOK ONE WHICH OUTLINES BROAD POLICIES AND OBJECTIVES, AND (C) BOOK TWO WHICH PRESCRIBES 25 "PRIORITY ACTION PROGRAMS" EACH WITH BUDGETARY TARGET AND ACTION ASSIGNMENTS BY AGENCY.

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AS THERE IS NO DEFINABLE INDUSTRIAL DEVELOPMENT PLAN

PER SE, FOLLOWING HIGHLIGHTS HAVE BEEN SELECTIVELY GLEANED FROM ALL THREE PARTS, CHIEFLY FROM FIRST TWO CHAPTERS OF BOOK ONE: "PRODUCE FOR NEW MARKETS" AND "POLICIES FOR EMPLOYMENT" AND FIRST TWO CHAPTERS OF BOOK TWO: "STRENGTHEN DYNAMISM OF ECONOMY" AND "GUARANTEE OUR FREEDOM OF DECISION OVER EXTERNAL BALANCE EQUILIBRIUM."

3. IN ASSESSING INDUSTRIAL ELEMENTS (OR FOR THAT MATTER ALL ELEMENTS) OF SEVENTH PLAN IT MUST BE UNDERSTOOD THAT PHILOSOPHY AND POLICIES ARE THOSE OF CURRENT ADMINISTRATION (WHICH MAY NOT ENDURE THROUGH PLAN PERIOD), BUDGETARY TARGETS ARE ONLY TARGETS (WHICH MAY NOT BE APPROPRIATED), AND IMPLEMENTATION DEPENDS HEAVILY ON PRIVATE SECTOR (WHICH MAY HAVE OTHER IDEAS).

4. BASIC GOALS FOR INDUSTRIAL SECTOR DURING HALF DECADE ARE:

(A) ACHIEVE OVER-ALL ANNUAL REAL OUT-PUT GROWTH RATE OF 7.2 PER CENT (VS. 5.5-6.0 PER CENT FOR ECONOMY AS WHOLE).

(B) ACHIEVE INDUSTRIAL EXPORT SURPLUS OF 35 BILLION FRANCS BY 1980.

(C) CREATE 250,000 NEW INDUSTRIAL JOBS.

(D) STRENGTHEN RELATIVE ROLE OF SMALL AND MEDIUM-SIZED INDUSTRIES IN PRODUCTION AND EXPORTS.

(E) INCREASE QUALITY OF TELEPHONE SYSTEM AND EXPAND NUMBER OF PRINCIPAL LINES FROM 7.0 TO 15.5 MILLION BY 1980.

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(F) CONCENTRATE GOVERNMENT SUPPORT AND ASSISTANCE ON INDUSTRIES CONSIDERED MOST DYNAMIC, PARTICULARLY IN TERMS OF EXPORT AND JOB CREATION POTENTIAL. THESE INDUSTRIES AND NATURE OF AID TO BE PROVIDED WILL BE DEFINED IN SECTORAL STUDIES NOW IN PROGRESS (PRINTING AND MACHINE TOOL INDUSTRY STUDIES ALREADY PUBLISHED).

5. THOUGH MOST ACTIONS, PARTICULARLY GOVERNMENT REGULATION AND ASSISTANCE ACTIONS, TO ACHIEVE FOREGOING GOALS WILL BE SPELLED OUT IN SECTORAL PLANS, SEVENTH PLAN ITSELF EMBODIES SIX "PRIORITY ACTION PROGRAMS" IN THE BROAD FIELD OF INDUSTRY. THESE PROGRAMS, WITH BUDGETARY TARGETS (IN FRANCS) FOR EACH, ARE (A) INDUSTRIALIZATION OF BUILDING AND CONSTRUCTION INDUSTRY (130 MILLION), (B) ENCOURAGEMENT OF SMALL AND MEDIUM-SIZED INDUSTRIES (816 UNCLASSIFIED

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MILLION), (C) IMPROVING NATIONAL TELEPHONE SYSTEM (104.4 BILLION RPT BILLION THROUGH 1980), (D) REDUCING DEPENDENCE ON IMPORTED ENERGY AND RAW MATERIALS, BASICALLY BY NUCLEAR POWER DEVELOPMENT (1.530 MILLION), (E) ASSISTANCE TO EXPORTS (3,780 MILLION), AND (F) IMPROVING NATIONAL SCIENTIFIC POTENTIAL AND RESEARCH (10,489 MILLION).

6. SEPTELS WILL SUMMARIZE SOME OF FOREGOING PROGRAMS DEEMED OF SPECIAL INTEREST TO U.S. AGENCIES.
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